

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATURE 3rd CALLED SESSION - 2006**

**May 4, 2006**

**TO:** Honorable Jim Keffer, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HJR26** by Berman (Proposing a constitutional amendment providing for an adjustment of the limitation on the total amount of ad valorem taxes that may be imposed for public school purposes on the residence homesteads of the elderly or disabled to reflect any change in the rate of those taxes.), **Committee Report 1st House, Substituted**

The impact of passage of this bill on the state would depend on the future actions of the Legislature and school districts in adopting tax rates. Therefore, the fiscal impact on the state government, other than the cost of publication, cannot be estimated.

The cost to the state for publication of the resolution is \$99,767.

The resolution would propose an amendment to Article VIII of the Texas Constitution to change the school property tax limitation on the residence homesteads of 65-and-over and disabled homestead owners under certain circumstances.

If school district property tax rates change from the preceding year, homestead owners subject to the limitation would have their limitation increased or reduced, as applicable, for the current and subsequent years in proportion to the change in the tax rate. The total amount of taxes that may be imposed on the homestead may not exceed the amount of taxes imposed for the later of the 2006 tax year or the tax year in which the person first qualified for the limitation.

The change in the Texas Constitution would take effect January 1, 2007, subject to adoption of the proposed amendment at the November 6, 2006 general election.

**Local Government Impact**

The impact of passage of this bill on units of local government would depend on the future actions of the Legislature and school districts in adopting tax rates. Therefore, the fiscal impact on units of local government cannot be estimated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, SD, SJS